



Napa County

1195 THIRD STREET
SUITE 310
NAPA, CA 94559
www.countyofnapa.org

Main: (707) 253-4580

Legislation Text

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TO: Housing Authority Commissioners
FROM: Tracy Schulze, Auditor-Controller
REPORT BY: Paul Phangureh, Internal Audit and Grant Compliance Manager
SUBJECT: Acceptance of the Internal Audit Quarterly Monitoring Report for Napa Housing Authority for the quarter ended March 31, 2021

RECOMMENDATION

Auditor-Controller requests the acceptance of the internal audit quarterly monitoring report for the Napa County Housing Authority for the quarter ended March 31, 2021.

EXECUTIVE SUMMARY

Based on our review, we believe that California Human Development Corporation (CHDC) is not fully complying with the policies and procedures established by the Authority's Board of Directors for the quarter ended March 31, 2021. This report contains four observations including auditor's recommendations and managements' responses to improve CHDC's compliance with the policies and procedures established by the Authority's Board of Directors.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No
County Strategic Plan pillar addressed: Effective and Open Government

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Click or tap here to enter text.

BACKGROUND AND DISCUSSION

Napa County Housing Authority (Authority), a public housing authority established pursuant to California Health and Safety Code section 342000 et seq., is the owner of three farm worker housing centers (Centers) located in Napa County.

- 1) River Ranch, located at 1109 Silverado Trail, St. Helena
- 2) The Calistoga Center, located at 3996 N. St Helena Highway, Calistoga
- 3) The Mondavi Center, located at 5585 Silverado Trail, Napa

The Authority has an Agreement with California Human Development Corporation (CHDC), a nonprofit corporation, to manage the day-to-day activities at the Centers. CHDC has designated employees, who are the Centers' Managers and a Fiscal Analyst, to be responsible for collection of lodger fees in accordance with the rates and policies established by the Authority's Board of Directors. The current rate for lodgers is \$14 per night. The Contractor is required to maintain lodger files, which contain a rental agreement, lodger photo ID, and verification of employment in agriculture. The Centers' Managers can maintain petty cash funds not to exceed \$250. The Centers' Managers are responsible for making timely deposits for any cash collected from the lodgers. The Fiscal Analyst maintains occupancy reports and rent reports. The Contractor is also responsible for the upkeep and maintenance of the facilities.

The Authority has engaged Napa County Auditor-Controller's Office to perform a quarterly monitoring over CHDC's compliance with the Authority's policies and procedures during fiscal year 2020-2021.

For the quarter ended March 31, 2021, Internal Audit noted the following:

- Accounts receivable balances totaling \$4,208.75 were removed from June 30, 2020 rent reports without the Authority's Board of Directors approval. This observation is carried forward from the quarterly monitoring report, dated March 9, 2021, for quarter ended September 30, 2020. On May 26, 2021, the Commission accepted and will recommend to the Authority's Board of Directors to approve these write-offs at the next Authority's Board meeting in July 2021.
- Three lodgers that departed at least 18 months ago with accounts receivable balance totaling \$878 remain on the rent report.
- 92 lodgers that departed at least 18 months ago with prepaid account balances totaling \$4,163.75 remain on the rent reports.
- Four out of 12 deposits tested were not processed in accordance with the approved policy and procedures established by the Authority's Board of Directors.

The requested action today is for the Board's acceptance of the internal audit quarterly monitoring report for the Napa County Housing Authority for the quarter ended March 31, 2021. The attached report was provided to the Housing Commission for review on June 23, 2021.

SUPPORTING DOCUMENTS

Internal Audit Monitoring Report for Quarter Ended March 31, 2021.